
1. Constitution

The Board of Serco Group plc (the 'Board') has reviewed and confirmed the establishment of a Committee of the Board to be known as the Corporate Responsibility Committee (the 'Committee').

2. Purpose

The purpose of the Committee is to assist the Board in discharging its duties to promote the success of the Company for the benefit of members as a whole and have regard to the matters, among other things, noted in Section 172 (1) (a-f) of the UK Companies Act 2006, namely that the Board should have regard for:

- a) the likely consequences of any decision in the long term;
- b) the interest of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and,
- f) the need to act fairly as between members of the Company.

The Committee will be responsible for overseeing the Company's approach to all aspects of Corporate Responsibility including its ethics and business conduct; the structure of governance; its approach to its people; its contribution to the communities in which its people live and work; and its approach to managing its relationships with customers, suppliers and other parties. Health, safety and the environment will be covered by the Board.

3. Membership

- 3.1. Members of the Committee shall be appointed by the Board of the Company, on the recommendation of the Nomination Committee in consultation with the Chairman of the Corporate Responsibility Committee.
- 3.2. The Committee shall be made up of at least four members, including the Chairman of the Board, the Chief Executive Officer and two independent Non-Executive Directors.
- 3.3. The Chairman of the Committee, who shall be an independent Non-Executive Director, shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.4. Any independent Non-Executive Director may attend Committee meetings. Only members of the Committee have a right to vote. Other individuals with relevant experience and expertise may attend meetings as requested and agreed with the Committee Chairman.

4. Secretary

The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

5. Quorum

The quorum of the Committee shall be at least two members, one of whom shall be an independent Non-Executive Director. In the event that there is no majority on a vote of only two members, the vote cast by the independent Non-Executive Director shall be binding on the Committee.

6. Frequency of meetings

The Committee shall meet at least three times a year and otherwise as required.

7. Notice of meetings

6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Committee Chairman.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, any other person required to attend and all other independent Non-Executive Directors, no later than five working days before the date of the meeting.

8. Minutes of meetings

7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

9. Annual General Meeting

The Committee Chairman should attend the Annual General Meeting to respond to questions from shareholders on the Committee's activities.

10. Support

The Chief Executive Officer will be responsible for ensuring that the management team include dedicated resource of an appropriate level of seniority to be responsible for the development of the Company's Corporate Responsibility policies, facilitating the effective implementation of agreed practice, and the measurement of the Company's adherence to those policies and practices. The senior responsible executive will report to the Chairman of the Committee in parallel with his/her executive reporting line.

11. Duties

Without limiting the scope of the authority set out below, the duties of the Committee are to:

Corporate Responsibility Strategy and Policy

- 11.1 The Committee shall assist the Board in providing independent oversight and guidance as to the impact of the Company's Corporate Responsibility framework and based on this agreed framework consider related strategy, policies, and practices on how the Company conducts its business and on its reputation.
- 11.2 To approve the strategies, policies, processes and standards related to the elements covered by the Company's Corporate Responsibility framework and activities and assist in periodic review of them.
- 11.3 Support the Group Risk Committee in ensuring that the Company is identifying and managing Corporate Responsibility risks and the consequent risks to the Company's reputation, as well as identifying and delivering Corporate Responsibility opportunities.
- 11.4 Oversee the effectiveness of management's implementation of the Corporate Responsibility related strategy, policies, processes and standards providing challenge where necessary.
- 11.5 Agree objectives and KPIs to monitor the elements that make up the Corporate Responsibility Framework and monitor performance against these.

Ethics and Business Conduct

- 11.6 In respect of the Company's ethics and business conduct related strategy, policies and practices, agree the ethical tone and culture, the structure, governance and mechanics of ethical leadership and support, and monitor conformity with that tone.
- 11.7 Regularly review and approve the Company's Code of Conduct to ensure that its standards of business behaviour are up-to-date and reflect best practice.
- 11.8 Ensure appropriate training programmes are in place and implemented to support appropriate understanding and compliance with the Company Code of Conduct.
- 11.9 Reviewing the adequacy of the Company's whistle-blowing process and procedures, receive reports on issues raised and review the appropriate progression of issues raised ensuring that root cause analysis is undertaken and acted upon and ensure that there are arrangements that allow proportionate and independent investigation where appropriate (and include referral to the Audit Committee of any concerns about possible improprieties in matter of financial reporting).
- 11.10 Review the Group's procedures for detecting fraud (to include referral to the Audit Committee of any concerns about possible improprieties in matters of financial reporting).
- 11.11 Review the Group's procedures for the prevention of bribery and corruption and ensure appropriate scrutiny of Corporate Responsibility policies and practices.

Corporate Renewal Programme

- 11.12 The Committee shall assist the Board in providing independent oversight and guidance of the Corporate Renewal Programme.
- 11.13 Review the way in which the output of the Corporate Renewal Programme is implemented through management committees, spans of authority down to contract level and training.
- 11.14 Oversee the effectiveness of management's implementation and assurance of the Corporate Renewal Programme providing challenge where necessary.

Structure of Governance

- 11.15 Review the way in which the governance of management that is delegated by the Board to the Chief Executive Officer is implemented through management committees and spans of authority down to contract level.

People

- 11.16 Ensure the Company understands the human rights risks it faces and has appropriate programmes in place to manage them, specifically in regard to the review of new business opportunities.
- 11.17 Review the Company's people strategy in regard to areas of human rights and its position on diversity.
- 11.18 Monitor performance against agreed people KPIs and targets, including the review of the relevant elements of employee engagement surveys having provided input into the question set to achieve an effective assessment of the ethical tone in the Company.

Communities

- 11.19 To consider and agree the Company's approach and strategy for community engagement.
- 11.20 To monitor and review community investment made by the Company.

Relationships with customers, suppliers and other parties

- 11.21 Review the extent to which the business policies and practices support the fostering of a culture of transparency and openness in dealings with customers, suppliers and other parties.
- 11.22 Ensure the Company has effective processes in place to undertake due diligence on third parties and monitor red flags that may arise.

Health and safety

- 11.23 To provide oversight on behalf of the Board in respect of all strategic and operational aspects of the Company's approach to and management of Health and Safety.

Other

- 11.24 Commission periodic external assessments of the policies and practices of the elements that make up the Company's Corporate Responsibility framework, benchmarking against best practice.
- 11.25 Monitor the Company's engagement with external stakeholders and other interested parties on Corporate Responsibility matters.
- 11.26 Keep abreast of developments in external thinking and knowledge related to the elements that make up the corporate responsibility framework and consider the emerging implications, opportunities and risks for the business.
- 11.27 Consider other topics, as defined by the Board.
- 11.28 Work and liaise as necessary with all other Board Committees.

12. Reporting responsibilities

- 12.1 The Committee Chairman shall report to the Board on Committee proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The Committee shall:
 - 12.2.1 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
 - 12.2.2 Produce a report of its activities to be included in the Group's Company's Annual Report and Accounts.
 - 12.2.3 Approve the scope and content of key Corporate Responsibility communications, with particular focus on the related content within the Annual Report and Accounts and the Corporate Responsibility report.
 - 12.2.4 The Corporate Responsibility section of the Annual Report and Accounts may report on the Company's health and safety standards and controls, but will make clear that this is a responsibility of the Board of the Company, not the Committee.

13. Other matters

The Committee shall:

- 13.1 Have sufficient access to resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 13.2 Be provided with appropriate and timely training, both in the form of an induction programme for new Committee members and on an on-going basis for all Committee members.
- 13.3 Review the Committee's performance and terms of reference on an annual basis and recommend any changes it considers necessary to the Board for approval.
- 13.4 Make available its terms of reference, explaining clearly its role and the authority delegated to it by the Board.

14. Authority

The Committee is authorised to:

- 14.1 Investigate any activity within its Terms of Reference.
- 14.2 Seek any information it requires from any employee of the Company and request the attendance of any employee of the Company at Committee meetings as and when required. All employees are directed to co-operate with any request made by the Committee.
- 14.3 Obtain, at the Company's expense, legal or other professional advice from both inside and outside the Company on any matter within its terms of reference.

**Approved by the Board of Serco Group plc
7 December 2017**